

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
WEDNESDAY, FEBRUARY 6, 2008, 2:00 P.M.
Room W020, West Office Building, State Capitol Complex

Members Present: Sen. Greg Bell, Co-Chair
Rep. Kory M. Holdaway, Co-Chair
Sen. Brent Goodfellow
Rep. Ron Bigelow
Rep. Mel Brown
Rep. David Clark
Rep. Brad Daw
Rep. John Dougall
Rep. Kay McIff
Rep. Curt Webb
Rep. Chris Johnson
Rep. Carol Spackman Moss
Rep. LaWanna "Lou" Shurtliff

Members Absent: Sen. Curtis Bramble
Sen. Dan Eastman

Staff Present: Spencer Pratt, Fiscal Manager
Karen C. Allred, Secretary

Public Speakers Present: Patrick Lee, Legislative Fiscal Analyst
David Squire, Executive Director, Utah Medical Education Council
Michael Stapley, President and Chief Executive Officer, Deseret Mutual Insurance Company
Dr. Doug Smith
David Sundwall, Executive Director, Department of Health
Dr. Mark Babitz, Department of Health
Dave Buhler, Interim Commissioner, Utah System of Higher Education
Kimberly Henrie, Asst. Commissioner, Utah System of Higher Education
Mark Spencer, Interim Deputy Commissioner
Stan Albrecht, President, Utah State University
Scott Wyatt, President, Snow College
Representative Gordon Snow
Deb LaMarche, Program Manager, Utah Telehealth Network
Representative Fred Hunsaker
Dale Lamborn, Superintendent, Richfield School Board
Steve Carlson, Superintendent, North Summit School Board
Brad Mortensen, Interim Vice President, Weber State University
Ryan Thomas, President, College of Eastern Utah
Representative Ben Ferry
Senator Ross Romero
Representative Curt Webb
Collette Mercier, President, Ogden Weber Applied Technology Center
Paul Hacking, President, Uintah Basin Applied Technology Center
Senator Dennis Stowell

A list of visitors and a copy of handouts are filed with the committee minutes.

1. **Call to Order** — Committee Co-Chair Bell called the meeting to order at 2:10 pm.

2. **Approval of Minutes**

MOTION: Rep. Johnson moved to accept the minutes of January 31, 2008.

The motion passed unanimously with Rep. Holdaway, Bigelow, Brown, Clark, and McCiff absent for the vote.

3. **UCAT Compensation (Issue Brief UCAT -- 07)**

Spencer Pratt, Fiscal Manager, explained Issue Brief UCAT 07, at the end of tab 3, page 13, in the Budget Book. The Analyst's FY 2009 recommendations do not include any change to compensation. During the session, the Executive Appropriations Committee may determine a compensation increase and then direct the Legislative Fiscal Analyst to incorporate that increase into the various agencies' budgets. Funding of any increase is normally based upon the agency's or institution's current revenue stream. Compensation increases for UCAT have been funded completely with state funds. The Analyst recommends that the Legislature discuss treating UCAT similar to other USHE institutions in relation to the funding of compensation increases.

In response to discussion from the committee concerning the amount of funds students get from rehabilitation and work force services, Jared Haines, Vice President, Utah College of Applied Technology, said that he does not have that information. Mr. Haines said that there are approximately 1,800 combined students referred by the Division of Work Force Services and pell eligible students.

4. **LFA Overview MEC**

Patrick Lee, Fiscal Analyst, distributed a handout and explained the Utah Medical Education Program Budget Brief. In the 1997 General Session, the Legislature passed H.B. 141, "Medical Education Program". This bill created the Utah Medical Education Program, administered by the Utah Medical Education Council. The UMEC evaluates current and future healthcare needs, including increasing retention rates for physicians; stabilizes funding for training; and establishes policies to achieve a viable healthcare workforce. The UMEC works closely with the healthcare industry and college and universities with medical education programs. The Analyst recommends approval of the Medical Education Program's FY 2009 adjusted base budget of \$453,000 from the General Fund, \$674,300 from Dedicated Credits, and \$292,000 in Non-lapsing Balances.

5. **Replace Lost Funding (Issue Brief UMEC -- 01)**

Patrick Lee, Fiscal Analyst, distributed a handout and explained the Loss of Dedicated Credits Revenue. The Utah Medical Education Council will possibly be losing some or all of its Dedicated Credits Revenue beginning in FY 2009. These funds have come from teaching hospitals and because of various factors, including a CMS rule that cuts some hospital funding, these hospitals are expecting funding cuts that will, in turn, affect the operating revenue the Education Council receives. The Medical Education Council is seeking state funding in the amount of \$650,000 to support its administrative budget and continue council activities.

6. **Utah Medical Education Council**

David Squire, Executive Director, Utah Medical Education Council, introduced Melanie Taylor, Deputy Director, Utah Medical Education Council, and mentioned that about half of his staff was there. Mr. Squire distributed a handout to the committee and thanked Dirk Anderson, Patrick Lee and Spencer Pratt. Health care is a national concern, especially financially. This is the first year that UMEC has had a chance to use some of the Rural Residency budget, and the rest is in a non-lapsing fund to be used at a later date. UMEC has a report that is a model across the nation and was just accepted by the Association of Medical Education Colleges to present what the UMEC is doing. They have several reports that they do about every five years to keep track and influence those being medically trained in Utah. Beginning July 1, they will have the first ever rural surgeon and will be about three years away from being ready to go out in rural practice. He explained the FY 2009 operations overview and budget request. The FY 2009 operations and budget overview includes: administrative budget-- personnel, office and travel expense; rural residency training -- track development, surgery program, rotations in OB/GYN and other rotations; federal Medicare partnership for GME -- the only Medicare graduate medical education demonstration project in the nation, continuing through June 30, 2010, which creates the forum in Utah for GME workforce planning; and private partnership for GME -- private industry joint venture to alleviate critical physician shortages. The FY 2009 Administrative Budget Request is for general on-going funds, dedicated credits and an increase request in on-going funds (granted in Governor's budget recommendation).

David Squire introduced Michael Stapley, Deseret Mutual Benefits Association; Doug Smith, Intermountain Health Care and Dr. Mark Babitz, Department of Health, to speak in support of the Utah Medical Education Council.

Michael Stapley served on the council since its inception and has watched UMEC get started. They have relied on 3rd party reimbursement, but doesn't come anywhere near covering the full cost of operating UMEC. He said we need to isolate the cost of medical education and pay for it as education not as medical care.

Dr. Doug Smith said that UMEC has been wonderful in educating interns and residents. There are federal changes that will decrease funding. He has lobbied with Utah Legislators in Washington, to change, modify or derail decreases, but he doesn't know if it will happen. We are growing state and the medical training has increased.

Dr. Mark Babitz has worked in health care for twenty years, and has worked with problems of health care his whole career. A world wide study was done on health care, and the United States ranked 37th on the list, and number one in cost. A study was done on why the disparity, and it was found that the higher the specialists, the higher the cost, and the lower the quality. Health care workforce cannot be operated by what ever they want to do. He expressed appreciation to Utah for understanding that the health care problems are an education and training issue.

7. **S.B. 90 -- Type of Funding**

The committee co-chairs have asked to discuss with the committee S.B. 90 (S.B. 103 this year) bill presented last year and whether or not to continue the same type of funding. The Board of Regents has tried to prioritize its requests with negotiated earmarks that come in packages. There was discussion on whether funds should be on-going and appropriated, and whether or not there was surplus money this year. It was discussed that there is some surplus money, but maybe not as record breaking as last year and the committee needs to proceed with caution. It was discussed that the

requests of the Board of Regents is the best way for funding institutions' highest priorities. If there were a formula for making requests fair between institutions, it would be helpful. There was discussion about whether the Executive Appropriations could allocate funds without the approval of this committee and that the committee needs to look at the legislative process.

8. **USHE Accountability for CTE (CEU/SEATC, UVSC/MATC, SLCC/SLTATC, etc)**

Dave Buhler, Interim Commissioner, Utah System of Higher Education distributed a handout to the committee. Commissioner Buhler referred the committee to the Career and Technical Education (CTE) Full Time Equivalent Students (FTE) and CTE Headcount Table on the handout he distributed. There are two different ways to count the students, CTE headcount and FTE Students. CTE headcount counts students at any given time. It doesn't show how long they are enrolled. It is an unduplicated head count, counted only once, even if a student is at more than one institution. FTE is one student taking 30 credit hours for one year, but it could be more than one student taking classes part of the year. Kimberly Henrie, Assistant Commissioner, USHE explained that FTE is based on 30 credit hours over a year, or 900 membership hours over a year. Career and Technical Education are provided in nine out of the ten USHE institutions. The University of Utah is the only institution that does not provide CTE. Career and Technical Education is an important part of what each institution does. It includes all non-credit types of education. Sometimes classes count for CTE if they are needed for the CTE degree even if they are general education class.

9. **Waiting Lists for Critical Career Path Courses**

Dave Buhler, Interim Commissioner, Utah System of Higher Education distributed a handout to the committee. USHE doesn't collect information on waiting lists from each institution, but they distributed a handout containing Institutional Priorities and Partnerships to address this subject. The committee would like the institution presidents to advise the USHE board of its waiting lists for Critical Path Courses. Mark Spencer, Interim Deputy Commissioner, explained that an institution has to have a "carry number" representing teaching loads, and it is a challenging endeavor to be efficient, while keeping keep the classes going.

10. **Teaching Loads and Funding for Adjustments**

Dave Buhler, Interim Commissioner, Utah System of Higher Education distributed a handout to the committee showing the student/faculty ratio for lower division and upper division classes for each of the institutions for years 2005-06 and 2006-07. The ratio is figured by the number of students divided by the number of faculty over two years. Another handout that was distributed to the committee shows the USHE faculty teaching workload, broken down by research/teaching universities, regional/metro universities and state and community colleges. It compares the regular faculty instructional credit hours taught in fall 2004, 2005, 2006, and 2007 and the standard the Regents have set for that type university. There are some institutions that are not within the standard because of enrollment. President Albrecht, Utah State University said that it is a challenge to keep the level lower for research universities when there is growth at other campuses of that university that are teaching campuses. President Wyatt, Snow College said that the reason is its faculty is not within the standard because there has been a challenge in the business office because leadership was replaced. In the past this hasn't been tracked and last year finances and scholarships were slashed and enrollment took a nose dive. Snow has organized itself more fully and is working on getting student load up and working of efficiency. The committee appreciated this report and would like to see a teaching workload report every year.

11. **Advisement**

Dave Buhler, Interim Commissioner, USHE, explained to the committee that this is an area that the institutions are trying to improve. He distributed a handout of Academic Advisement and Advisor Student Ratio Calculation at UVU, as an example of how this institution is improving advisor or counselor ratios, and mentioned that he could have examples from other institutions. The committee asked the Regents to consider a long-term advisement plan to best get a student through their education in a reasonable time and at a reasonable expense.

12. **Requests for Appropriation & Bills**

ARCHES Tele-health Network

Rep. Snow introduced Deb LaMarche, Program Manager, Utah Telehealth Network. She distributed a handout and explained that Utah had been selected to be part of the FCC's Rural Health Care Pilot Program called ARCHES (Advancing Rural Connections for Healthcare and E-health Services). They are requesting one-time non-lapsing funds for project matching and implementation. The increasing use of health information technology, the development of initiatives for sharing patient information, and a growing reliance on telehealth for emergency care has led to an increasing bandwidth requirement (especially for rural healthcare providers) and increasing network reliability requirements (especially for critical patient care). Utah ARCHES will address these needs. Utah ARCHES hopes to be self sustaining after the grant runs out.

Concurrent Enrollment

Rep. Hunsaker distributed a handout to the committee, introduced Dale Lamborn, Superintendent, Richfield School Board and Steve Carlson, Superintendent, North Summit School Board, and explained that there is a rural concurrent enrollment problem when taught by higher education faculty. The majority of higher education concurrent enrollment programs utilize an approved public school educator who is employed full time at the participating secondary school as an adjunct faculty member to teach courses through live classroom instruction. These instructors are supervised by the participating higher education institution to ensure quality and comparability with courses offered on-site at the campus of the participating higher education institution. The secondary education institution is responsible for the salary and benefits of the instructor. The smaller secondary education institutions do not have qualified instructors to teach the advanced math and science courses. Consequently, the smaller high schools attempt to contract with higher education in what is usually a rural setting, to provide the needed instruction through telecommunication or live classroom instruction. This creates an overload situation for the higher education instructors. The higher education institutions are responsible for the salary and benefits of its faculty members but have no source to pay any overload pay.

Superintendent Dale Lamborn, Richfield School District, explained that concurrent enrollment has been a great equalizer for rural schools. Students can take higher level classes from higher education faculty, because they don't have teachers that can teach these harder classes over the internet. If they lose funding, the programs will fail. Concurrent enrollment has a great impact on rural secondary schools, with over 50% of the students graduating with an associate degree.

Superintendent Steve Carlson, North Summit School District, explained that if they lose the concurrent enrollment program, they will lose classes and teachers and it will hurt their small budgets.

Rep. Hunsaker responded to a question from the committee that there is not funding because the 60/40 funding with higher education, with higher education paying about \$30 per credit hour, which doesn't cover the \$64 per credit hour cost. These are higher education faculty and this overloads them and there is no other source to pay them. All children should have equal opportunity, but without this concurrent enrollment, rural children will not have the same opportunities as those from larger schools.

Weber State University -- Aerospace Defense Employment

Brad Mortensen, Interim Vice President, Weber State University, thanked Rep. Dee for putting this item on the request for the institutional priorities list and explained that this request to the committee is the same as Weber State's requests in the institutional priority for developing programs in aerospace employment. One of the focus areas for program priorities is the aerospace and defense cluster jobs. A study was done at Hill Air Force Base and this program has needs such as student retention and advising needs, and support for partnerships.

College of Eastern Utah -- San Juan Education Disadvantaged

Ryan Thomas, President, College of Eastern Utah distributed a handout to the committee explaining the request CEU has for the San Juan Educationally Disadvantaged Funding. This supports the educational needs of students who face barriers to education due to socio-economic status or demographics. Funds may be spent on tuition assistance, counseling and tutoring. The College is requesting ongoing funding to ensure that the program can continue to expand education opportunities to all of Southeastern Utah.

College of Eastern Utah -- San Juan Match

Ryan Thomas, President, College of Eastern Utah distributed a handout to the committee. The College of Eastern Utah San Juan Campus is requesting one-time funds to match USDA/RBEG grant and local community funds to provide resources to refine training and expand programs. This creates and expands jobs in the most remote parts of rural Utah.

Plant Pest Diagnostic Lab

Rep. Ben Ferry explained to the committee that the Utah State University Plant Diagnostic Lab has been operating at a loss because operating costs have been cut. Ongoing funds are being requested for the supplemental services this lab provides. Funding for this lab has been coming from the Natural Resource Subcommittee, because it is a high priority for them, but it should be coming from the Higher Education Subcommittee.

Native American Heritage Course Development

Sen. Ross Romero explained that KUED TV is going to recognize five National Native American tribes and needs funds to highlight Utah tribes. This KUED program will be used as an educational component for elementary schools. Sen. Romero came to the Higher Education Subcommittee to request funds because of the KUED involvement.

O&M USU Student Athlete Academic Center

Rep. Curt Webb distributed a handout to the committee, and had the committee turn to page three of the handout to see the completed Student Athlete Academic Center. This building is at the north end of the football stadium and will be used as a lecture hall, student study area, computer classroom and offices for academic advisors. Non-athletes will participate in the instruction that occurs in the facility. The reason for the request of operating and maintenance funds is that the language included in HB 238 of the 2004 session indicates that "the university may not request state funds for operations and maintenance." The scope of the project has changed. Originally the project focused solely on athletics and associated needs, now the focus includes academic space.

O&M USU Tooele Instruction Facility

Rep. Curt Webb explained to the committee that the USU Tooele facility has been leased from the City of Tooele, with an option to buy. Last year the lease was paid off and USU has assumed complete ownership. USU is now leasing some of the space to Salt Lake Community College. The Fiscal Analyst has recommended using the funding that is no longer being used for the bond payment of the lease, for the O&M. USU is requesting funding from the Higher Education Subcommittee because it is a state building and is funded in the same way as other state buildings, and if the funds for the bond payment are used for O&M, funds for instruction and program development will not be available.

UCAT Jobs Now

Rep. Curt Webb distributed a handout to the committee and explained how much help the committee has contributed to the success of the Jobs Now Initiative through the funding provided by the Legislature. The Jobs Now initiative was created as a means to respond to emerging job markets across the State of Utah which could not be met with current programs. The funds were designed to address immediate employer needs by identifying current job openings, recruiting students to be trained to fill those specific employer needs, and providing the necessary training to get the students into the job market. The request for funding for the Jobs Now Initiative is in addition to the Analyst's request. The committee requested some actual examples of how the Jobs Now Initiative have helped individuals.

Collette Mercier, President, Ogden Weber Applied Technology Center told of one target area that has been successful is that of Machining. OWATC has been able to bring in an additional 80 students because of past funding, and cannot bring in enough students to fill the jobs that are available. Another example is the area of Lean Manufacturing. Because of past funding OWAT has hired two new instructors. There are 100 students currently enrolled. It is a program that is just getting started, and it is looking for additional students to fill available jobs.

Paul Hacking, President Uintah Basin Applied Technology Center, told of the need for jobs in the Oil and Gas Industry. The Uintah Basin ATC has a 30-150 hour course to prepare students for the work force. Students can go through the course work rapidly and then go to work in the Oil and Gas Industry. Students are so needed in this area. It is expanding and growing to meet job needs.

USU Berryman Institute

Sen. Dennis Stowell explained to the committee that the Berryman Institute is part of Utah State University and it monitors endangered species. Sen. Stowell's recommendation is that this request for

funding be handled through the Natural Resources Subcommittee rather than the Higher Education Subcommittee.

S.B. 103 -- Institutional Priorities

Sen. Dennis Stowell requested the committee rank the S.B. 103 funding request as high as possible. This bill gives funding to every higher education institution in the state. The Board of Regents has approved this project.

Commissioner Buhler explained to the committee that S.B. 103 funding request is in the budget priorities list and has been discussed in this committee previously.

H.B. 86 -- Funding of Inmate Postsecondary Education

Rep. Jack Draxler distributed a handout and addressed a crisis that has occurred in inmate postsecondary education. The Universities listed on the handout have been subsidizing this program out of their own budget. There are 419 men and 60 women currently enrolled and from 1998 to 2006 there have been 4,156 GEDs, 5,361 High School Diplomas, 575 Vocational Certificates/Diplomas, 365 Associate Degrees, and 37 Bachelors Degrees. The funding request involves two revenue sources, from the ongoing base budget and the inmate telephone surcharge. This request should have a high recommendation because of the value it is to society.

H.B. 253 -- Higher Education Information Technology Appropriations

Rep. Stephen Clark explained to the committee that H.B. 253 sets up a line item for information technology among nine universities and college in the State of Utah. It is a request for ongoing appropriations to set aside funds each year for Information Technology to build infrastructure and keep it current. This is parallel to the Utah System of Higher Education budget request.

13. Committee Business

Spencer Pratt distributed a handout to the committee showing a history of non-lapsing balances by institutions. The red bar is the non-lapsing balance in dollars, the blue bar is the budget, the yellow line with stars is the non-lapsing balance percent increase and the blue line with stars is the budget increase percent. The budgets have grown and so have the non-lapsing balances.

Spencer Pratt distributed a GOPB In-depth Budget Review memo to the committee to think about overnight, if there is something they might want to recommend for an in-depth review.

Spencer will email the list for prioritization to everyone. There has been an added item on the agenda for tomorrow's meeting, and that is S.B. 180 -- Regents' Scholarship Program.

Snow College Richfield Campus -- Sevier Valley Center Proposal

Rep. Kay McCiff distributed a handout to the committee and explained that five years ago a center was completed on the Snow College Richfield Campus (The Sevier Valley Center) funded by several contributors. One of the contributors was the Sevier School District. The trade off for the School District was that one wing of the building would be used by the district. The school district would now like to sell its portion and Snow College needs use of that wing for its nursing program, and

would like to buy it. This will mean that Snow College will own all of the Sevier Valley Center, and has already been paying to maintain the building. Snow College is requesting one-time money to make this purchase.

MOTION: Rep. Daw moved to adjourn.

Committee Co-Chair Bell adjourned the meeting at 4:57 p.m.

Minutes were reported by Karen C. Allred, Secretary.

Sen. Greg Bell, Committee Co-Chair

Rep. Kory M. Holdaway, Committee Co-Chair